

## **IRS TAX TIP 2002-19**

### **RESERVISTS, NEW ENLISTEES MAY GET DEFERRAL FOR BACK TAXES**

The IRS reminds reservists called to active duty and new enlistees in the armed forces that they might qualify for a deferral of taxes owed if they can show that their ability to pay taxes is impaired because of their military service. The Soldiers and Sailors Civil Relief Act provides this benefit.

The Act covers active duty members of the military services — Army, Navy, Air Force, Marine Corps and Coast Guard. Reservists must be placed on active duty to qualify. National Guard personnel not serving in a “federalized” status — that is, called to active duty specifically by the President of the United States — are not covered.

The deferral applies to taxes that fall due before or during military service, and extends the payment deadline to six months after the military service ends. No interest or penalty accrues during the deferral period.

The deferral is not automatic. A taxpayer must apply for the deferral. When applying, the taxpayer must prove both an inability to pay the tax and that this inability resulted from military service. A taxpayer must also have received a notice of tax due, or be on an installment agreement with the IRS, before applying for the deferral.

The deferral is limited to an initial period of service, not reenlistment periods. This would include:

- An active duty period pursuant to a first enlistment,
- A period of service following recall to active duty from a Reserve or National Guard unit, or
- The first period of reenlistment following a break in service of at least one year.

For officers meeting one of these conditions, the period is limited to two years.

The deferral does not extend the deadline for filing any tax returns. However, taxpayers may get extra time to file under other provisions, such as being stationed overseas or in a combat zone. Afghanistan was designated a combat zone beginning September 19, 2001, by Executive Order No. 13239.

Details for applying for the tax payment deferral are in IRS Publication 3, “Armed Forces’ Tax Guide,” which is available on the IRS Web site, [www.irs.gov](http://www.irs.gov), or by calling toll free 1-800-TAX-FORM (1-800-829-3676).

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